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SUBJECT: CONFERENCE ADDRESSES NUCLEAR ENERGY AND NON-PROLIFERATION
ISSUES IN THE MIDDLE EAST

REF: Amman 825

Sensitive but unclassified. Not for internet distribution.

11. (SBU) SUMMARY: Nuclear energy and non-proliferation experts discussed security challenges in the Middle East during the conference "Nuclear Proliferation and Nuclear Energy Security, Political and Economic Implications" held in Amman from June 22-24. Participants welcomed the call by President Obama in Prague last April to achieve a world free of nuclear weapons. Various proposals were presented for creating regional, international, and multinational fuel banks or centers that would allow countries to enjoy the benefits of nuclear power and ensure fuel supplies while limiting the spread of sensitive nuclear technologies. Many were concerned about the lack of transparency in Iran's nuclear program and perceived intentions to build nuclear weapons capability, which an Iranian participant attempted to discredit. In contrast to the Iranian program, one speaker highlighted the U.S.-UAE Nuclear Cooperation Agreement as a fully transparent model for the region that would ultimately attract more foreign investment and support. Panelists also described the roles and programs of international organizations and governments, including USG non-proliferation programs. Some argued that other alternative energy programs, such as solar, might be a better choice than nuclear in the Middle East. End Summary.

Opening Remarks: Calls for a Nuclear Free Middle East

12. (U) The June 22-24 Conference on Nuclear Proliferation and Nuclear Energy in Amman, Jordan was co-organized by the Arab Institute for Security Studies (ACSIS) and the Arab League, and co-sponsored by the Partnership for Global Security and British, Dutch, and Norwegian governments. Panelists and participants came largely from universities and think tanks, making the event academic in nature.

13. (SBU) All opening speakers welcomed President Obama's call for a world free of nuclear weapons made during his Prague speech in April 2009 and hoped to see action taken towards achieving that vision, a sentiment that was echoed throughout the conference. Wael Al Assad, head of the Arab League's Department of Disarmament, commented it was the first time that nuclear states were using a different discourse. He highlighted the Arab League's call for a Middle East nuclear free zone but lamented that there had been no serious

movement towards implementing it, noting that non-proliferation needed a comprehensive approach. Saudi Arabia's Prince Turki Al Feisal underlined global and regional efforts to tackle nuclear proliferation issues, stating that the call for a Middle East free of weapons of mass destruction made Arabs "trendsetters rather than global followers." He proposed that the United Nations pass a Security Council Resolution that would provide economic incentives and security guarantees to countries which sign onto the effort and impose strict economic sanctions, backed up by the use of force, on those which refuse to join such a movement.

¶4. (SBU) Jordan Atomic Energy Commission Chairman Khaled Toukan highlighted the role of nuclear power for Jordan's energy needs, noting that affordable natural gas imported from Egypt "cannot be relied upon in the long term" and that renewable energies, though promising, have "well-known limitations." He said the pursuit of nuclear energy in the region was "misunderstood" by developed countries, due to the abundance of natural resources in Arab Gulf countries, but that developing countries such as Jordan suffer from high oil prices. He highlighted Jordan's Nuclear Cooperation Agreements with France, China, Korea, Canada, and Russia, and noted that Jordan had signed a Nuclear Cooperation Agreement with the U.K. that same day of June 22 (reftel). Toukan called for nuclear power to be regarded as a clean energy source and included in the Clean Development Mechanism under the Kyoto Protocol and future climate change agreements. Noting that President Obama's Prague speech provided a "glimmer of hope" for moving towards a world free of nuclear weapons, he urged more progress on nuclear disarmament and implementation of the Nuclear Non-Proliferation Treaty (NPT) in a holistic and non-discriminatory manner in which member states fully retain their rights under the NPT.

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Regionalization or Internationalization of Fuel Supply

¶5. (SBU) Various panelists presented proposals for international fuel banks, regional fuel banks, and multinational enrichment centers. Mohammed Shaker, Vice Chairman of the Egyptian Council for Foreign Affairs, argued that the establishment of an Arab fuel cycle would improve Arab economies, avoid creating fuel cycles in each state, better guarantee against fuel shortages for political reasons, and strengthen the role of the International Atomic Energy Agency (IAEA) in promoting regional cooperation. Several speakers highlighted the benefits of a holding company model in which countries would set policy and leverage the advanced technology of developed countries but leave operations to a management company. Although there seemed to be general support for regionalization or internationalization of fuel cycles that limits the spread of sensitive technologies, there did not seem to be any consensus on which model was the best.

U.S.-UAE Agreement: Transparent Model for the Region

¶6. (SBU) Mark Fitzpatrick, Senior Fellow for Non-Proliferation at the International Institute for Strategic Studies and former acting Deputy Assistant Secretary of State for Non-Proliferation, argued that there was reason for concern that Iran's pursuit of uranium enrichment could lead it to becoming nuclear-armed and sparking a regional proliferation cascade. He advocated diplomacy, containment, and deterrence strategies as ways to keep Iran from crossing the line from latent capability to weapons production. He added that the U.S.-UAE 123 Agreement could serve as a fully transparent model for other countries in the region, in stark contrast to the Iranian program. He opined that by agreeing not to enrich or reprocess on its territory, the UAE would most likely be the first in the region to get state-of-the-art nuclear technology, and other countries would also find it easier to attract foreign support and financing for nuclear power projects if they turned to the international market for enriched reactor fuel rather than developing indigenous facilities.

Defense of Iranian Nuclear Program

¶7. (SBU) Several panelists made similar arguments that Iran's nuclear program and its lack of transparency had increased suspicions that it intends to develop a nuclear weapons capability. Assad of the Arab League said, "We in the region are concerned about Iran" and its potential threat because of so many "strangely unsubstantiated facts," but qualified that 90% of the experts in the region see Israel as the main, existing threat. After a presentation by Sergio Catignani from the University of Leiden on how Israel would react to (and strike) a nuclear-armed Iran, Nasser Saghfi-Amiri, Senior Fellow at the Center for Strategic Research in Tehran and former diplomat, replied that he found the discussion a bit surprising given that Iran has not historically been an aggressor state. He quoted, however, one Iranian Revolutionary Guard Commander's statement that if Israel did attack Iran's nuclear energy infrastructure, Iran would hit Israel's nuclear plant with missiles, and Israel would have to take responsibility for starting that war.

¶8. (SBU) In defense of Iran's nuclear program, Saghfi noted that the Iranian nuclear program went back half a century, and Iran is now being proven correct in deciding to pursue nuclear power for peaceful purposes, as other countries in the region are currently doing to meet energy needs. According to Saghfi, Iran's goal is to have 20 nuclear power plants, and its first 40MW heavy water reactor in Arak should be operational in three years. Saghfi added that a tender has been issued for a nuclear plant in Darkhoyen. He explained that the purpose of the Iranian enrichment program is to guarantee the fuel supply for the country's nuclear reactors, especially if Iran is sanctioned or embargoed. He indicated that Iran would be open to a multilateral enrichment arrangement, but suggested that such a fuel center would need to be in Iran. He added that Iran did in the past try a multilateral approach by

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engaging U.S. and French companies to build nuclear reactors but those companies ended up abandoning their commitments.

¶9. (SBU) Saghfi disputed the perception that Iran is pursuing nuclear energy to acquire nuclear weapons. He distinguished between having nuclear capability and having nuclear weapons, saying that "just because you have the capability does not mean you're after the weapons." Following that logic, he questioned whether countries should not be allowed to have fertilizer plants because the chemicals used to produce fertilizer could also be used to manufacture chemical weapons. He stated that Iran now has the capability to build nuclear weapons but has not done so. Furthermore, he added that it is not in Iran's defense policy to use weapons of mass destruction, as evidenced during the Iran-Iraq war when Iraq used chemical weapons on Iran but Iran did not retaliate with a chemical attack.

¶10. (SBU) Responding to criticism of Iran's denial of IAEA inspections of its heavy water plant in Arak, he said that there is no obligation under the NPT Safeguards Agreement to open facilities to inspection until nuclear materials are introduced. He conceded that such an obligation exists under the Additional Protocol but said Iran is not implementing that agreement. Emphasizing Iran's cooperation, he underscored that the IAEA has done 21 undeclared inspections in Iran - an unprecedented number in his view - and that there is 24-hour camera monitoring in facilities such as Natanz, so "there is no reason for concern about diversion." He also suggested that the IAEA is leaking sensitive confidential information to the outside world, which Iran has officially protested.

¶11. (SBU) Saghi said that while everyone talks about Iran's program as the only nuclear threat in the region, such a focus is distracting attention from dangerous trends elsewhere, pointing to the recent nuclear test in North Korea. He highlighted Pakistan as an unstable state with nuclear weapons and noted that Israel has threatened to use nuclear weapons. He argued that the U.S. and Russia need to change their "Cold War mindsets," which were likely a result of the U.S. trying to "keep alive its nuclear industry" and Russia trying to maintain strategic power.

Role of International Organizations and Governments

¶12. (U) There were various presentations on the role of the EU, NATO, and other international organizations in non-proliferation. Raphael Della Ratta of the Partnership for Global Security gave a broad overview of U.S. Department of State, Department of Defense, and National Nuclear Security Administration (NNSA) programs in non-proliferation, such as the Cooperative Threat Reduction program, NNSA Second Line of Defense program, NNSA Global Threat Reduction Initiative, and the Megaports initiative. He noted that while many of these programs initially focused on Russia and the former Soviet states, they have begun to deal with proliferation threats globally.

Nuclear Energy - the Right Solution for the Region?

¶13. (SBU) One panel addressed whether nuclear energy was the right choice for the Middle East. While a speaker from Canada essentially made a sales pitch for the CANDU reactor, the Director of the Nuclear Program at the U.S. Natural Resources Defense Council, Christopher Paine, weighed the pros and cons of nuclear energy. In addition to steep up-front costs, he noted some of the nuclear energy challenges for desert nations, such as potential damage to water aquifers during in-situ solution mining of low-grade uranium and seismic concerns increasing costs, as demonstrated by the billions of dollars that Japan had to invest after one of its plants was damaged by an earthquake. He argued that solar energy might be a better option for the region, noting that 3% of the land area of Morocco could fuel the entire European grid.

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